



Pearl Harbor Naval Shipyard  
Honolulu, Hawaii

**FY24**

# NAVFAC PERFORMANCE REPORT



# COMMANDER'S FOREWORD



Rear Admiral Dean VanderLey Site Visit  
Vandenberg, California

In Fiscal Year 2024 (FY24), Naval Facilities Engineering Systems Command (NAVFAC) matured our worldwide organization with a learning mindset and advanced a culture of persistent self-assessment and self-correction. This Performance Report provides an assessment of NAVFAC's progress towards achieving our tier 1 outcomes across nine capability areas and describes countermeasures to close our performance gaps.

As the Department of the Navy (DON) Systems Command (SYSCOM) for shore infrastructure, NAVFAC has an essential role in the Chief of Naval Operations 2024 Navigation Plan, which sets a target to restore critical infrastructure that sustains and projects the fight from the shore. Mission-critical naval facilities and shore-based systems must be resilient, affordable, and ready when the warfighter needs them. Across each unique capability, NAVFAC is working to provide new, innovative, rapid, and affordable solutions to meet the urgent warfighting requirements of our naval forces.

## Improve Risk Awareness through Reliable Data

As the foundation to our innovation and accountability efforts, NAVFAC continues to improve our real-time data, focusing on accuracy, accessibility, and completeness for the condition of facilities, utilities, and equipment. Improved data enables NAVFAC to articulate safety and operational risk of Navy shore infrastructure, leveraging a formal Departure From Specifications process to assess the impact of degraded or obsolete infrastructure and fix or elevate the risk to appropriate accountable levels to accept and manage.

## Control Project Cost and Schedule through Robust Governance and Accountability

For the third year in a row, the DON Military Construction (MILCON) program increased in scope, complexity, and urgency, with more investment forecasted in future years. NAVFAC must improve the reliability of our cost estimates and meet mission need dates by organizing our command for success and giving our people the right skills, tools, and processes. I'm pleased to share that we are starting to see the positive outcomes from our FY23 initiatives — to include more robust project governance structures and integrated planning and design teams.

## Innovate through the NAVFAC Construction Acceleration and Affordability Campaign Plan

MILCON projects must cost less and deliver faster. NAVFAC is meeting this challenge through the following efforts:

**Alternative Construction Methods:** Collaborating with requirements generators to deliver the minimum viable project scope required and provide essential warfighting capabilities. Seeking opportunities to use construction methods that reduce costs and construction timelines.

**Lean Design-Build:** Spurring industry innovation by providing lean, non-prescriptive, and performance-based facility requirements. Structuring design-build contracts to achieve cost and schedule efficiencies through disciplined governance and change management throughout the planning, design, and construction processes.

**Leveraging Economies of Scale:** Using standard facility designs with lower-cost industrial and off-site construction techniques and contract packaging of multiple facilities to achieve economies of scale.

**Innovation Cradle:** Leveraging industry forums to scale construction cost and time reductions using artificial intelligence, digital twin modeling, and emergent technologies across the DON construction portfolio.

**Other Transactional Authority (OTA) Prototyping:** Applying OTA to pilot new technological advancements and innovative design and construction approaches.

**Statutory and Regulatory Enablers:** Pursuing statutory, regulatory, and departmental policy and process changes to reduce costs and delivery timelines.

These initiatives are the countermeasures designed to close performance gaps as part of the culture NAVFAC established to embrace the red.

VR/ DVLCY

Rear Admiral Dean VanderLey

NAVFAC CAPABILITIES

NAVFAC’s mission, functions, and tasks are encompassed within nine capabilities unique to our SYSCOM role, each with a strategic objective to maximize our support to Fleet and Marine Corps forces



Naval Station Newport  
Newport, Rhode Island

This report measures performance against the tier 1 outcomes that support the strategic objectives of each capability

Planning, Design, & Construction

**Strategic objective:** Improve the speed, cost control, and quality of MILCON project delivery

Maintenance & Facility Operations

**Strategic objective:** Deliver reliable and resilient infrastructure based on priorities aligned with OPNAV-approved infrastructure investment plan focus areas

Cybersecurity: FRCS

**Strategic objective:** Support fleet operational readiness by managing risk of mission-critical facility-related control systems supporting defense critical infrastructure

Ocean Facilities & Equipment Engineering

**Strategic objective:** Assure continued fleet dominance at-sea and ashore through innovation and engineering

Expeditionary Engineering & Logistics

**Strategic objective:** Exercise expeditionary, table of allowance, and contingency engineering responsibilities to enable naval and joint warfighter readiness

Real Estate Acquisition & Management

**Strategic objective:** Increase operational capability while reducing Navy total ownership costs

Environmental Readiness

**Strategic objective:** Enable mission readiness through compliance with environmental laws and regulations

Weight Handling Ashore Procurement & Program Oversight

**Strategic objective:** Lead the DON shore activity weight handling program by establishing policy and providing engineering, acquisition, technical support, training, and oversight for compliance to maintain readiness

Non-Tactical Vehicles & Equipment Maintenance and Operations

**Strategic objective:** Provide the Navy with transportation services that meet fleet and shore readiness requirements

Capability Assessment Legend



On-Track



Off-Track



Portsmouth Naval Shipyard  
Kittery, Maine

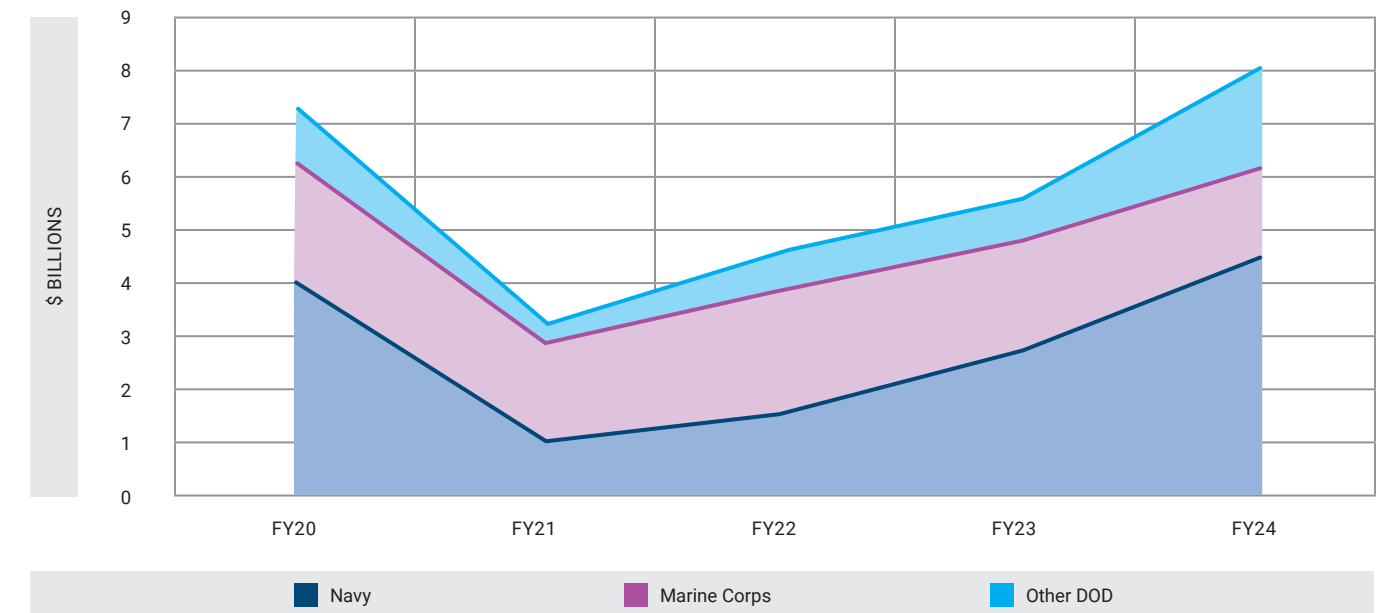


# CAPABILITIES PROGRESS REPORT

## PLANNING, DESIGN, & CONSTRUCTION

Improve the speed, cost control, and quality of MILCON project delivery

### MILCON Workload



- NAVFAC executed 85 MILCON projects in FY24 and anticipates high MILCON workload for FY25 and FY26
- Projects are more complex due to once-in-a-generation recapitalization of shipyards and utilities infrastructure and unique site conditions like seismic reinforcement

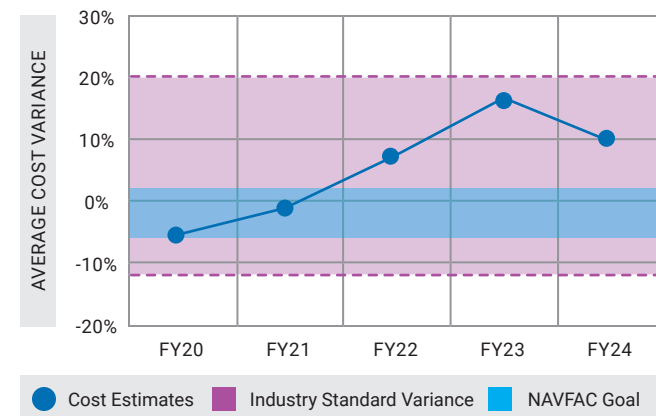


## PLANNING, DESIGN, & CONSTRUCTION

Improve the speed, cost control, and quality of MILCON project delivery

Walter Reed National Military Medical Center  
Bethesda, Maryland

### Cost Estimates Compared to Actual Award Costs

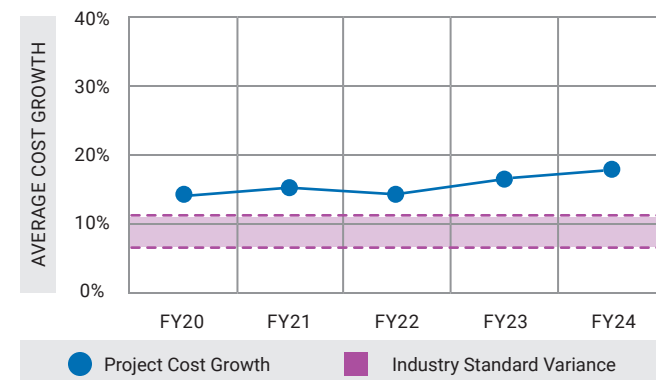


#### Assessment

Use of risk models and economic data improved cost forecasting and reduced cost variance, which improved NAVFAC performance in FY24



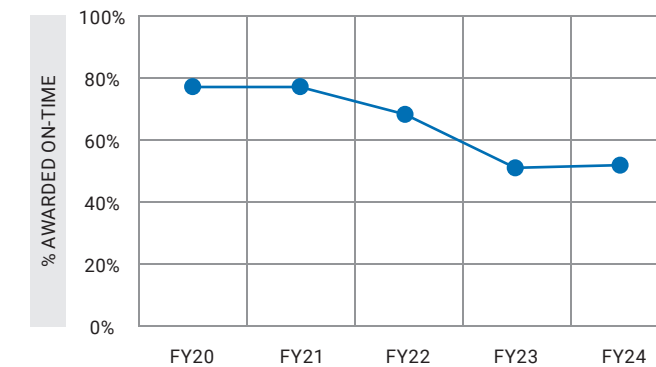
### Average Project Cost Growth During Construction



#### Countermeasure

- Continue to refine the use of modeling and forecasting to reduce the cost variance to within the NAVFAC goal for FY25
- Mature governance and implement customer change management to limit cost growth during construction

### Projects Awarded as Planned

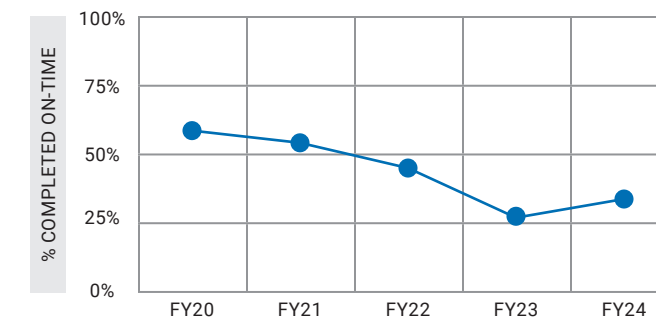


#### Assessment

Arrested the decline in projects awarded on time and completed by mission need date by implementing controls through governance and customer change management



### Projects Completed by Mission Need Date



#### Countermeasure

- Improve requirements development to ensure projects can meet mission need date
- Invest in project planning and design to reduce unforeseen requirements or conditions



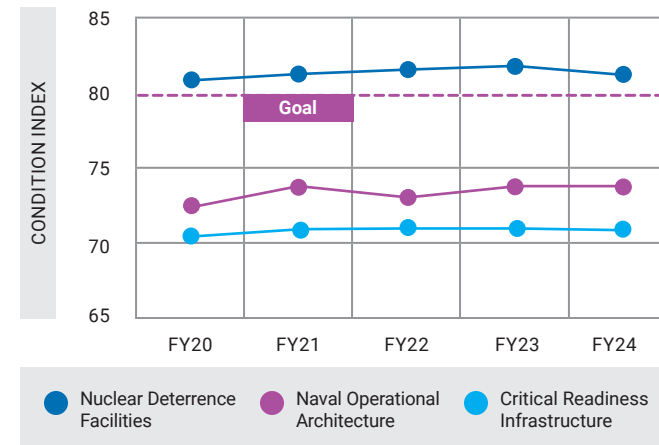
## MAINTENANCE & FACILITY OPERATIONS

Deliver reliable and resilient infrastructure based on priorities aligned with OPNAV-approved infrastructure investment plan focus areas



Naval Air Weapons Station China Lake  
Ridgecrest, California

### Critical Building Condition Index



#### Assessment

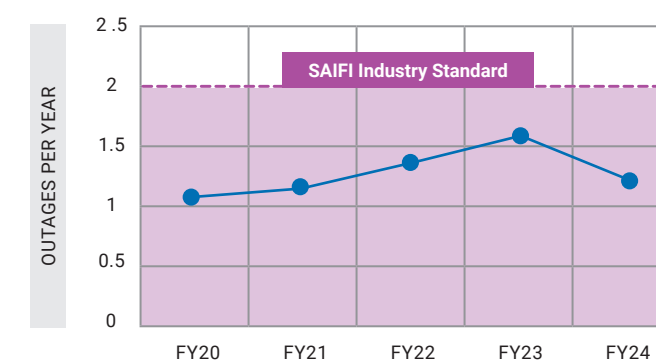
- Continued to optimize the delivery of reliable and resilient infrastructure through focus on preventative maintenance and improved data to inform investment decisions
- Current investment levels are not sufficient to improve condition of most high priority OPNAV focus areas to meet the goal



#### Countermeasure

Institutionalize monthly visual management of preventative maintenance performance at all echelons

### Electrical Reliability: Power Outage Frequency

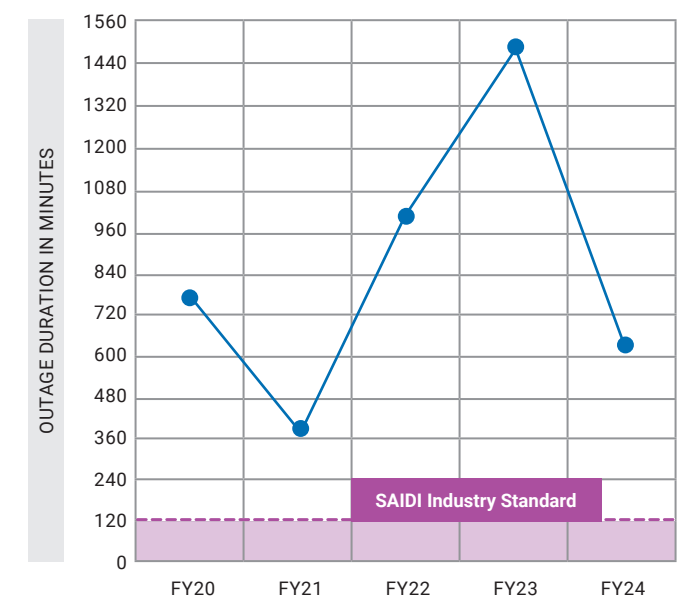


#### Assessment

- FY23 power outage duration was adjusted from 360 to 1470 minutes as a result of lagging data after Typhoon Mawar
- Absent this catastrophic event, NAVFAC's two year-long focus on preventative maintenance improved risk-based investment plans, but does not yet validate an improvement in electrical resilience and reliability



### Electrical Resilience: Power Outage Duration



#### Countermeasure

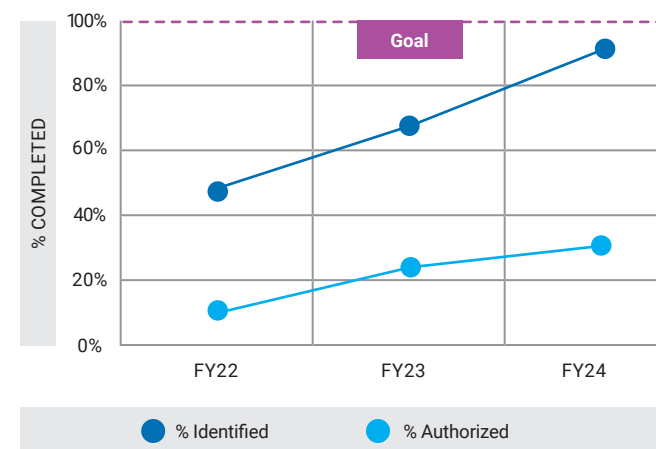
- Update utilities risk scoring criteria to improve and simplify communication of risk to mission owners
- Continue focus on preventative maintenance



## CYBERSECURITY: FRCS

Support fleet operational readiness by managing risk of mission-critical facility-related control systems supporting defense critical infrastructure

### Identification & Authorization of Mission-Critical Facility-Related Control Systems



#### Assessment

- Analyzed the cybersecurity of 218 Task Critical Assets to identify mission-critical facility-related control systems
- Connected mission-critical facility-related control systems to provide baseline security and management capabilities and enable continuous monitoring and response
- Issued Authorizations to Operate in accordance with the national risk management framework process to mitigate risk through controls, continuous monitoring and sustainment, and system scanning and patching

#### Countermeasure

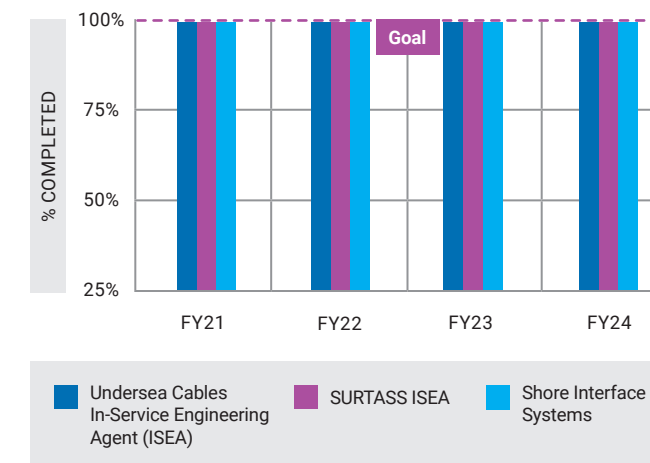
Prioritize limited resources to mitigate the cyber risk of facility-related control systems that directly support the highest-priority defense missions

## OCEAN FACILITIES & EQUIPMENT ENGINEERING

Assure continued fleet dominance at-sea and ashore through innovation and engineering

Underwater Construction Team Diver Training  
Guantanamo Bay, Cuba

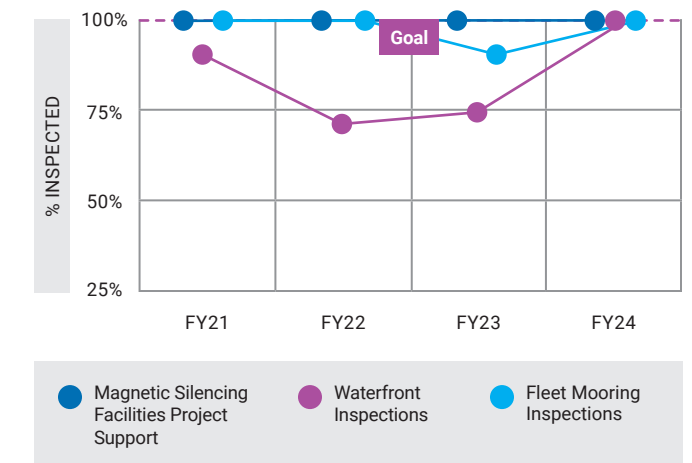
### Enable Undersea Lethality



#### Assessment

Improved delivery meeting all goals by utilizing a deliberate phasing plan in sync with operations and asset availability

### Enable Sustainment of Waterfront Infrastructure



#### Countermeasure

- Continue aligning phasing plans with operations and availability of assets to deliver capability
- Utilize an innovative sensor platform to inspect waterfront structural elements providing a rapid, safe, and cost-effective means of inspecting waterfront structures



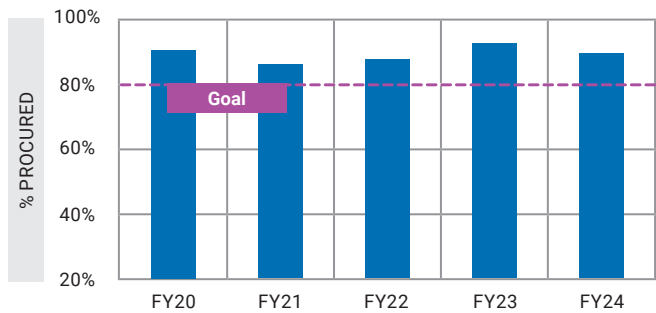
EXPEDITIONARY ENGINEERING & LOGISTICS

Exercise expeditionary, table of allowance, and contingency engineering responsibilities to enable naval and joint warfighter readiness



Naval Construction Battalion Center  
Gulfport, Mississippi

Outfitting the Navy's Expeditionary Forces  
with required vehicles and equipment in first  
year of three-year procurements



Assessment

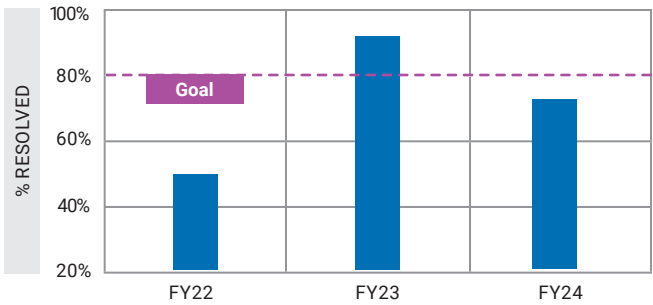
Continued to perform expeditionary acquisition abilities for improved mission readiness and operational agility



Countermeasure

Align sustainment phasing to better leverage capability and enable flexibility to drive improved operational availability

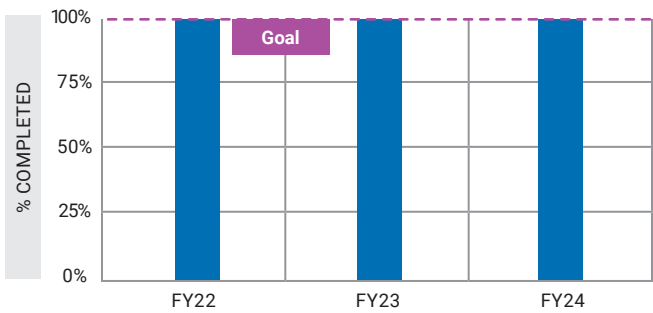
Sustaining the Navy's Expeditionary Forces  
by resolving Coordinated Shipboard Allowance  
List feedback



Expeditionary Research and Development

**97%** of RDT&E initiative milestones met, exceeding 90% goal two years in a row

Contingency Engineering  
enabling Combatant Command project  
timeline and requirements met



Wartime Acquisition Readiness

**100%** of Wartime Acquisition Response Plan plays documented, approved, and completed

**SYSCOM Security Cooperation Office (SSCO)**

NAVFAC established a SYSCOM SSCO to improve effectiveness and efficiency in meeting the needs of Combatant Commanders, international partners, and allies, providing foreign military sales, security assistance, theater security cooperation, and humanitarian assistance



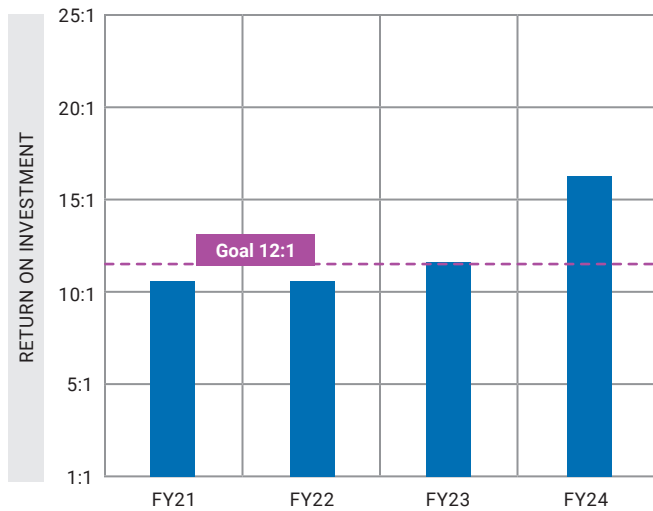
REAL ESTATE ACQUISITION & MANAGEMENT

Increase operational capability while reducing Navy total ownership costs



REPI Atlantic Test Range  
Chincoteague, Virginia

Optimizing In-Leasing versus Owned Infrastructure

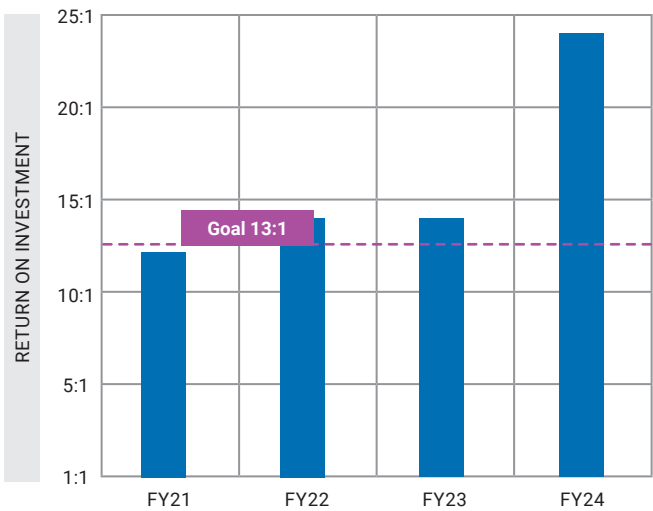


Assessment

Achieved near-term capability beyond the target by utilizing non-Federal Acquisition Regulation authorities when traditional MILCON and other capital investments were too costly or did not meet mission need



Innovative Land Use Solutions



Countermeasure

Maintain the strategic use of real estate assets to complement MILCON needs efficiently, ensuring timely support and ongoing cost savings

Readiness and Environmental Protection Integration (REPI)

Continue to protect and sustain DON operational/ training missions by working with defense and non-federal partners to secure real estate interests as well as ensure compatible land utilization

- Secured 12K acres for expanding Navy operations, testing and training, and encroachment protection
- Secured 6K acres for Marine Corps flight operations training ranges, residential areas, transit routes, and water quality from incompatible development

Naval Air Station (NAS) Oceana Coastal Virginia Off-Shore Wind Power Easement

NAS Oceana in-kind consideration (IKC) agreement provided an 80-acre easement to Dominion Energy for off-shore wind energy in return for \$500M of base-wide electrical infrastructure and utilities upgrades, replacements, and emergency repairs



NAS Oceana Electrical Feeder Conduit Construction  
Virginia Beach, Virginia

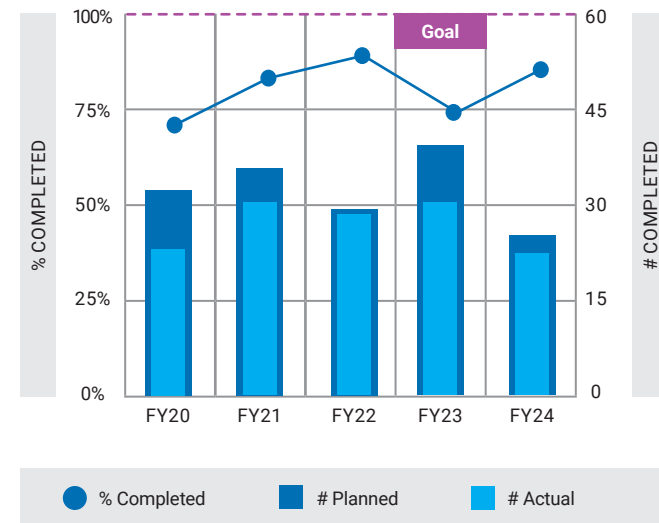
## ENVIRONMENTAL READINESS

Enable mission readiness through compliance with environmental laws and regulations



Lafayette River Annex Cleanup  
Norfolk, Virginia

### Restoration Response Complete (RC)

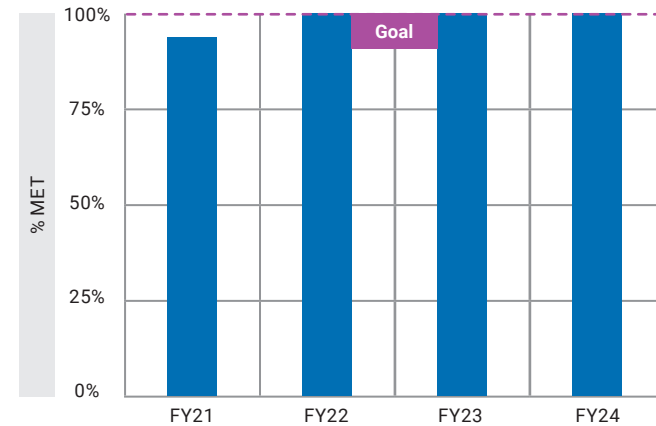


#### Assessment

Restoration response performance improved while complexity of site conditions and compliance requirements increased



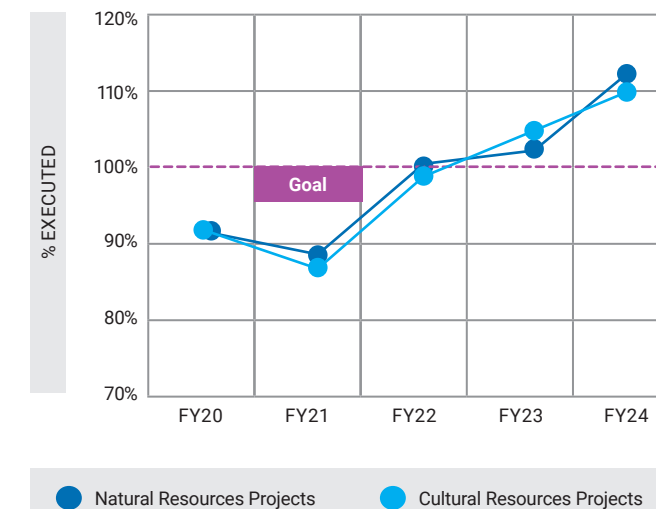
### NEPA Documents Meeting Operational Support Date



#### Countermeasure

Continue to ensure timely approval of RC performance through early engagement with environmental regulators

### Conservation Projects Executed to Plan



#### Assessment

Exceeded 100% perform to plan by adapting to customer requirements and supporting emergent projects



#### Countermeasure

Continue to support customer and mission requirements by leveraging expertise across the NAVFAC enterprise



Pacific Islands Fisheries Science Center  
Honolulu, Hawaii



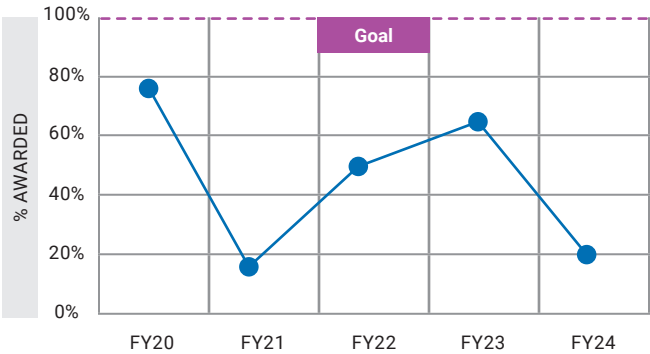
WEIGHT HANDLING ASHORE PROCUREMENT & PROGRAM OVERSIGHT

Lead the DON's shore activity weight handling program by establishing policy and providing engineering, acquisition, technical support, training, and oversight for compliance to maintain readiness



USS Gerald R. Ford Carrier Crash Crane  
Norfolk, Virginia

Future Equipment Readiness: Contract Award

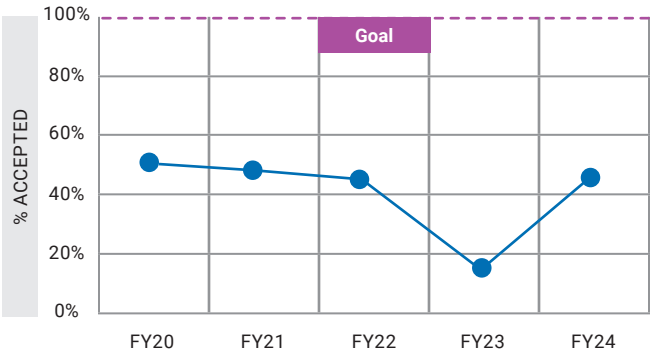


Assessment

- Decline in contract awards performance due to changes in prioritization after plan is set
- Recovered the decline in crane acceptance performance by focusing on first-time quality, on-schedule delivery, and contractor performance



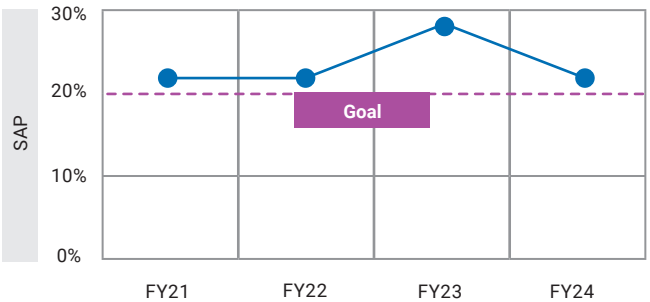
Future Equipment Readiness: Crane Acceptance



Countermeasure

- Mature governance of changes, deviations and re-prioritization of efforts
- Continue to focus on first-time quality, on-schedule delivery, and accurate and timely contractor performance assessment reporting

Significant Accident Percentage (SAP)



Assessment

Focus on reporting near misses and lower threshold events resulted in lower accident severity



Weight Handling Operational Readiness: Accident Prevention Triangle DON-Wide Performance

OPNAV A	0	0	0	0
OPNAV B	0	2	0	0
OPNAV C	6	3	5	5
OPNAV D & Significant Accidents	46	51	63	57
Minor Accidents & Lower Threshold Events	180	198	194	214
Near Misses	414	491	505	685
	FY21	FY22	FY23	FY24

Countermeasure

Continue oversight and engagement with high operational tempo weight handling activities to reduce overall severity potential

NON-TACTICAL VEHICLES & EQUIPMENT  
MAINTENANCE AND OPERATIONS

Provide the Navy with transportation services that meet fleet and shore readiness requirements



Seabees Certified Emergency Vehicle Technician  
Sigonella, Italy

Average Availability for Priority 1–3 Assets



Priority 1: Mission Critical

- Crash Response
- Ordnance Transport
- Waterfront Crane Ops

Priority 2: Mission Essential

- Security
- Incident Response
- ATRP Patrol
- Aviation Ops Support

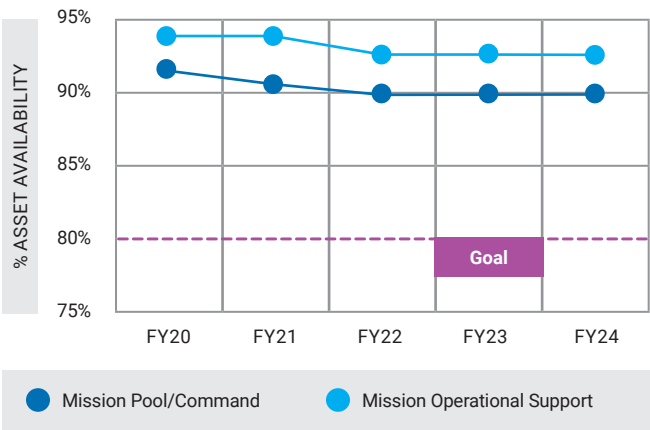
Priority 3: Special Purpose

- Explosive Ordnance Disposal
- HAZMAT
- Emergency Management
- Aviation Maintenance Support

Countermeasure

- Utilize other means of providing equipment (e.g., rentals, leases, GSA consolidations)
- Recapitalize vehicles beyond their useful life or convert to contractor where more efficient

Average Availability for Priority 4–5 Assets



Priority 4: Mission Pool/Command

- Construction
- Maintenance
- Weight Handling Trailers

Priority 5: Mission Operational Support

- Passenger and Cargo Vans
- Heavy Duty Buses
- Railway Cars

Assessment

- Root cause of declining availability of Priority 1-3 Navy-owned assets is age, 70% of which are expected to potentially fail in FY25
- Priority 4-5 vehicles are mostly General Services Administration (GSA) fleet, have greater supply chain availability of parts, or are newer vehicles



Fire & Emergency Services  
White Beach, Japan





Trident Refit Facility  
Kings Bay, Georgia



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